

KLDC

KINGSTON LOCAL DEVELOPMENT CORPORATION

Hon. Shayne R. Gallo, President

Jennifer J. Fuentes, Executive Director

Brenna L. Robinson, Portfolio Manager

MEMORANDUM

BOARD OF DIRECTORS - KINGSTON LOCAL DEVELOPMENT CORPORATION
JAMES NOBLE, CITY OF KINGSTON ALDERMAN AT LARGE
CARLY WILLIAMS, CITY CLERK
JENNIFER J. FUENTES, KLDC EXECUTIVE DIRECTOR / COMMUNITY DEVELOPMENT EXECUTIVE
AMANDA L. BRUCK-LITTLE, KLDC RECORDING SECRETARY / ADMINISTRATIVE ASSISTANT
BRENNAL. ROBINSON, KLDC PORTFOLIO MANAGER, ED COORDINATOR / ZONE COORDINATOR EZ
GREGG H. SWANZEY, DIRECTOR OF ECONOMIC DEVELOPMENT FOR STRATEGIC PARTNERSHIP
SUZANNE CAHILL, CITY PLANNER
MICHAEL F. JORDAN, ESQ., COUNSEL KLDC
DANIEL MARSH III, NATIONAL DEVELOPMENT COUNCIL DIRECTOR
DAILY FREEMAN, 79 HURLEY AVENUE, KINGSTON, NY 12401
WKNY, PO BOX 1398, KINGSTON, NY 12402
WGHQ, 82 JOHN STREET, KINGSTON, NY 12401
BRIAN JONES, WPHD/WCZX/WEOK/WRRV, PO BOX 416, POUGHKEEPSIE, NY 12602
POSTMASTER, KINGSTON PO BOX 9998, KINGSTON, NY 12402-9998

FROM: SHAYNE R. GALLO, MAYOR/PRESIDENT OF KLDC BOARD OF DIRECTORS

RE: KINGSTON LOCAL DEVELOPMENT CORPORATION BOARD MEETING

Please be advised that a "special meeting" of the Kingston Local Development Corporation will be held at **8:00 a.m., Thursday, September 20, 2012**. Said meeting will be held in the Mayor's Conference Room, City Hall, 420 Broadway, Kingston, NY 12401.

AFFIDAVIT OF MEETING:

I, Bradley Jordan, Secretary for the Board of Directors of the Kingston Local Development Corporation, did on the **10th day of September, 2012** mail this notice to the individuals listed above. Mailing was accomplished by sealing said notice in an envelope and depositing same, with postage thereon, full pre-paid, with the United States Post Office.


BRADLEY JORDAN, SECRETARY

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AGENDA

Thursday, September 20, 2012 @ 8:00 a.m.

1. Call to Order
2. Bank of America parcel
3. Memorandum of Understanding – KLDC / City of Kingston
4. Requests for Subordination: Casa Villa and Colonial Diner (Broadway Lights)
5. Parking Garage discussion
6. Approval of Minutes of Previous Meeting from July 19 & 27, 2012
7. Adjournment

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September 20, 2012

PRESENT:

BOARD MEMBERS - President Gallo, Vice President Dwyer, Secretary Jordan, Rev. Childs, Reinhardt, Potter, Fitzgerald, Turco-Levin, & Mathews
KLDC EXECUTIVE DIRECTOR / COMMUNITY DEVELOPMENT EXECUTIVE DIRECTOR - Fuentes
KLDC RECORDING SECRETARY / ADMINISTRATIVE ASSISTANT - Bruck-Little
ECONOMIC DEVELOPMENT AND STRATEGIC PARTNERSHIP DIRECTOR - Swanzy
KLDC PORTFOLIO MANAGER & ECONOMIC DEVELOPMENT COORDINATOR - Robinson
KLDC COUNSEL - M. Jordan
CHIEF OF POLICE - E. Tinti
DEPUTY CHIEF OF POLICE - J. Wallace

ABSENT:

BOARD MEMBERS - Treasurer Mills

Meeting was called to order by President Gallo at 8:18 am.

BANK OF AMERICA -

Attorney M. Jordan spoke to the Board regarding Bank of America. He told them no one would locally insure the Bank of America but Chicago Title would be willing to insure. An Action of Quiet Title, was brought by Bank of America but M. Jordan's own researcher and Jerry Moval were not comfortable with the way it was handled. At some point during their owning and occupying of building the Bank of America brought about the action. Bottom line, if Chicago Title insures it, there would be any problem unless they specifically specify differently. KLDC will be responsible for paying for the insurance probably and it would probably cost a couple of thousand dollars. M. Jordan will check to be sure there aren't any problems or red flags. M. Jordan will be meeting with Mr. Moval later today and will be contacting contact Bank of America and will specify the KLDC is looking to get a bargain of sale, not a quick claim deed. Insurance coverage should be based on Fair Market Value.

President Gallo has another architect, Joe Hurwitz with another set of eyes - free of charge for preliminary design costs. Scott Dutton Associates has submitted preliminary costs including a 20% contingency fee which President Gallo feels is high. \$1.8 was the ball park figure which is way higher than the \$1.2 originally estimated. President Gallo believes there should be some sort of resolution within next few days to a week with Bank of America.

Should there be asbestos KLDC would be responsible for the asbestos removal whether they keep the building if they purchase it or if they choose to sell it.

Mr. Mathews spoke of change orders and how they affect the costs involved as well as any contingency the architect may have.

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Ms. Fuentes told the Board there would be a CDBG Public Hearing regarding the 108 loan process and possible allocation of said loans to be held on September 27, 2012.

President Gallo stated renovations would go out to bid and would have to be bonded.

President Gallo informed the Board M&T Bank has decided to decline KLDC a line of credit. Ms. Fuentes told the Board that even though Mr. Murphy had dropped off the paperwork they were not willing to continue with line of credit but might be willing to work with KLDC on a case by case basis.

President Gallo and Chief Tinti will be meeting with OSA regarding the potential expansion of the courts on Garraghan Drive. There is a need for another City court, therefore there may be possibility of working with them.

REQUESTS FOR SUBORDINATIONS:

Casa Villa - Requesting subordination to refinance and looking to get \$50K in new money from Rondout Savings for a total of \$280K. The Board discussed the appraisal and request and does not want to move back in position. The Board asked if the KLDC loan could be paid through Rondout Savings Bank and if not, the loan must become current before the Board will consider subordination. The Board has asked Ms. Fuentes to speak with Rondout Savings Bank to see if something could be worked out.

Colonial Diner - Requesting subordination to refinance and looking to get \$58K in new money from Rondout Savings Bank for a total of \$425K. Their current mortgage is through USB and they are refinancing with Rondout Savings Bank. With additional new monies they are looking to have their parking lot repaved. The Board requested Ms. Fuentes ask Rondout Savings Bank if they'd be willing to assume KLDC loan and pay the KLDC off. Otherwise, the Board does not feel they have enough information at this time to form an opinion and vote on this subordination request at this time and will need a better explanation of how the \$58K would be spent.

Savona - Requesting subordination to refinance and looking to get \$152K in new money from Rondout Savings Bank for a total of \$195K. He leases the building that houses his business from his sisters and he recently purchased a small adjacent parcel for a steakhouse/outdoor seating. A motion was made by Secretary Jordan to give President Gallo and M. Jordan authority to proceed on behalf of the Board provided the KLDC is first on the lien for the small parcel and second on Mr. Savonas condominium for collateral. Second by Vice President Dwyer. Motion Carried.

In the future, the Board would like to have a work-up presented to them showing criteria, considerations, appraisals, status of taxes, purpose for subordination and if already a recipient of KLDC, the status of their loans along with staff recommendations. The Board also stated they would not entertain any proposals for subordinations or restructuring if taxes are unpaid and current loan(s) with KLDC is delinquent.

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UPDATE:

Villa Carmella – Ms. Fuentes spoke with John Dwyer from MHFCU and KLDC is in second position for \$130K+ and MHVFCU offered \$5K as pay-off to KLDC. Their loan was restructured in 2010 and they had made arrangements with M. Murphy to make additional payments monthly to catch up. MHVFCU had begun foreclosure proceedings last year and then stopped proceedings since they made an agreement to pay them.

A motion was made by Ms. Potter that at; 2 months in arrears a letter is to be sent; 4 months in arrears they must appear before the Board; at 6 months in arrears legal action will commence. Second by Mr. Mathews. Motion carried.

Spada- Stephanie Whidden, Esq. is working on the filings, the process takes an enormous amount of time due to the amount of paperwork involved. It was asked if the KLDC ever received a response to the demand letter and the answer was no.

Parking Garage-

President Gallo has had many developers approach him regarding the re-development of the parking garage. He would like to see the KLDC take title of the property to be able to move the process along. At the next meeting he would like the Board to discuss the benefits of taking title and what the potential outcome could be.

A motion was made by Mr. Mathews to accept minutes of previous meeting. Second by Mr. Fitzgerald. Motion carried.

At 10:29AM Vice President Dwyer made a motion to adjourn. Second by Ms. Potter. Motion carried.

Respectively Submitted,



Amanda L. Bruck-Little
Recording Secretary